

Preparation Checklist

Review this checklist before starting your assessment session. Having these details ready ensures your reports are accurate and your session runs smoothly.

■ **Estimated time:** 15–25 minutes | The AI advisor guides you through each section — you don't need every number memorized.

1 — Business Basics

- Legal business name
- DBA / trade name (if different from legal name)
- Business entity type (LLC, S-Corp, Sole Proprietor, Partnership, etc.)
- Industry / type of business (e.g. HVAC, dental practice, SaaS, retail, distribution)
- Year the business was founded or acquired
- City and state of primary operations
- Number of locations
- Business website (if applicable)

Tip: If you operate under multiple entities, focus on the primary operating entity for this assessment.

2 — Financial Information

Have your last 2–3 years of financials available. Estimates are acceptable if exact figures are unavailable.

- Annual gross revenue — last 3 years (Year 1, Year 2, Year 3)
- Net profit / owner's net income — last 3 years
- Owner's total salary or draw taken from the business annually
- Owner health insurance premiums paid by the business (annual total)
- Personal vehicle expenses run through the business (fuel, insurance, lease/loan payment)
- Depreciation & amortization (D&A;) from last year's Profit & Loss statement
- One-time or non-recurring expenses (legal fees, equipment write-offs, settlements, restructuring)

- Any other personal or non-business expenses run through the company
- Current outstanding business debt (loans, lines of credit — total balance)
- Monthly rent or lease payment (if applicable)
- Lease expiration date

Tip: SDE (Seller's Discretionary Earnings) = Net profit + owner salary + add-backs. The more add-backs you can document, the higher your valuation.

3 — Operations & Team

- Total number of employees (full-time and part-time separately)
- Number of contractors or 1099 workers
- Do you have a manager who could run the business without you? (Yes / No)
- Average hours per week the owner works in the business
- Are operations documented with SOPs or training manuals? (Yes / No)
- Key software or systems used to run the business day-to-day
- Any employees who are critical and would be difficult to replace?

Tip: High owner dependency reduces valuation. If you work 60+ hours/week and no one else can run the business, this is a key gap to address before listing.

4 — Customers & Revenue Mix

- Approximate number of active customers or clients
- Does any single customer represent more than 20% of your revenue? (Yes / No)
- If yes — what percentage does your largest customer represent?
- Revenue type: recurring (subscriptions / contracts) or transactional (one-time sales)?
- Average transaction value or contract size
- Customer retention rate or average client tenure (if known)
- Primary marketing and lead generation channels (referrals, Google, social, outbound, etc.)

Tip: Customer concentration above 20% in a single client is a red flag for buyers. Think about how to address this before going to market.

5 — Sale & Deal Context

- Primary reason for considering a sale (retirement, burnout, new opportunity, capital, etc.)
- Desired timeline to close (6 months, 1 year, 2+ years)
- Do you have an asking price in mind? (Yes / No — if yes, the amount)
- Are you open to seller financing or an earnout structure? (Yes / No)
- Would you stay on post-sale for an ownership transition period? (Yes / No — and for how long)
- Have you had any prior conversations with buyers or business brokers?
- Are there any known legal, tax, environmental, or operational issues a buyer should know about?

Tip: You don't need all the answers — the AI advisor will guide you. Knowing your reason for selling helps frame the CIM and transaction overview accurately.

6 — Current Technology & AI Use

This section powers your AI Integration Roadmap — one of your four delivered reports.

- What software do you currently use? (CRM, accounting, scheduling, POS, project management, etc.)
- Are any tasks currently automated? (invoicing, client follow-ups, scheduling, reporting, etc.)
- Do you currently use any AI tools? (ChatGPT, Jasper, Zapier AI, etc.)
- What are your biggest operational bottlenecks or time drains each week?

■ What would you automate first if you could?

■ Does your website capture leads automatically, or is follow-up done manually?

You're ready to start.

Go to **bizvaluefree.com** and click **Get Started**. The AI advisor will walk you through each section — you don't need every answer memorized. This checklist just helps you go in prepared.

Questions? Contact us at support@bizvaluefree.com